MCAM NATIONAL DIRECTOR SPECIAL NOTICE

Shawn Henry, National Director
Shawn has served on the MCAM Board of Directors since 2014. He is the President at Wescan Construction Services. Shawn earned his Red Seal Plumbing certification and B license from Red River College in 2005.

His favourite MCAM event is the Golf Tournament. Shawn approaches his work with a forward-thinking mindset and often cautions against complacency, noting that the most dangerous phrase is, "It is the way we have always done it." He also expresses a strong commitment to his career and hopes to never retire.

MCAC Update on Tariff Countermeasures

Limitation: the following information is being shared as information for MCA Canada members, and does not constitute and should not be considered as legal advice. As well, it is important to note that the terms and conditions of any Contract take precedence over any information contained herein. The Mechanical Contractors Association of Canada encourages all members to use their independent judgment, or, as appropriate, seek the advice of professionals.

Effective September 8, previously announced Canadian counter-tariffs will take effect on approximately $28 billion in U.S. imports.

It remains to be seen how trade discussions will play out in the short- and long-term. While much has been said in the media over the past several weeks, there can be no doubt that a prolonged trade dispute between Canada and the United States will have significant economic impacts on the two countries, whose supply chains are so closely linked. Another question that remains is how the United States may respond to Canadian countermeasures, and whether they will seek to further impose additional tariffs on Canadian goods as a result.

MCAC has, since January of 2025, made the case that construction-related materials and products should be exempt from any Canadian countermeasures. MCAC continues to monitor the impact of Canadian counter tariffs on the industry, construction activity, and construction costs, and is actively advocating on the sector's behalf to limit the impact of this continually evolving issue.

DOCUMENTATION OF TARIFF-RELATED PRICE INCREASES
With Canadian counter measures expected to impact several products and materials in the mechanical/electrical/plumbing sector, MCAC is reminding members to seek express reference to tariffs in any price increases from suppliers. While some standard-form contracts contain duty or change of law provisions, which would allow for an adjustment to contract price, any increases to product pricing **that does not reference tariffs** will impose an unfair risk to contractors who may not be able to exercise those contract provisions. Citing tariff-related issues, such as the value of the Canadian dollar, transportation costs, or tariffs themselves, may provide an opportunity to exercise price escalation provisions built into their contracts.

MCA Canada stands ready to work with suppliers to pursue the recourse associated with items such as tariff impositions and associated risks, and encourages the industry supply chain to explore the existing tariff-relief programs available as the industry navigates the challenges brought on by US tariffs.

IMPORTANT CONSIDERATIONS
MCAC is also reminding members of several important considerations during this time, particularly as supply chains are adapting to the impact of tariffs and Canadian countermeasures.

For both current and future projects, there are distinct considerations for contractors to be aware of.

For projects already underway (where the bid closing date was prior to the imposition of tariffs), it is critical that contractors review their existing contract language to determine whether there are any contractual provisions that deal with the issue of duties and tariffs.

> As an example of a duty provision, CCA-1, in GC 10.1.2, notes that *Any increase or decrease in costs to the Subcontractor due to changes in taxes and duties after the time of the bid closing shall increase or decrease the Subcontract Price accordingly.*
> Other contract forms may contain similar provisions, but it is important to also note and understand when the provision takes effect (ie. Taxes or duties will have come into effect after closing)

Contractors may wish to also explore or discuss with Owners/Prime contractors whether provisions such as force majeure clauses or change of law provisions address the issue of tariffs
For those entering into a new contract, MCAC is advising member companies to work with suppliers to lock-in pricing, to mitigate the impact of price fluctuations.

> Other considerations are the use of price escalation clauses, including the required notice provisions that would be necessary to adjust a Contract Price

As always, MCAC continues to recommend that contractors undertake all efforts to document and record the types of products affected by price escalation.

OTHER CONSIDERATIONS
As with any other change in contract price, Contractors should also be aware of their insurance and bonding requirements and whether existing contract security is directly related to and affected by Contract Price.

REMISSIONS PROCESS
A full list of products impacted by Canadian countermeasures is available through the Government of Canada website. The Department of Finance has implemented a remissions request process, through which companies and associations can request a reprieve where goods cannot be reasonably sourced from within Canada or from non-US suppliers.

Contractors should inquire with suppliers whether an application for remissions has been made, as well as share any relevant documentation that demonstrates a particular product impacted by tariffs cannot be sourced from within Canada or non-U.S. suppliers.

All efforts should be made to encourage the use of this remissions process, particularly when products or materials are not available from non-U.S. markets, or where alternative products would not meet **Canadian safety certification standards.**